MSP of paddy, cotton and groundnut

*140. SHRI C. RAMACHANDRAIAH: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government is proposing to review the recommendations of Commission for Agriculture Costs and Prices (CACP) regarding the MSP of paddy, cotton and groundnut;

(b) if so, whether the requests of paddy farmers from the rice growing States of West Bengal, Orissa, Andhra Pradesh and Tamil Nadu to fix MSP of paddy at Rs. 1000/- would be acceded to;

(c) if so, when the same would come into force; and

(d) if not, the reasons for not reviewing the recommendations of CACP and not fixing the MSP at a reasonable level?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) to (d) Based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), the Minimum Support Price (MSP) for the year 2007-08 kharif season including paddy, cotton and groudnut-in-shell were announced/ fixed on 17th May, 2007. The MSPs of paddy, cotton and groundnut-in-shell for 2006-07 and 2007-08 are given in the table below:—

(Rs. per quintal)

Crop		2006-07	2007-08
Paddy	(Common)	580^	645$
	(Grade 'A')	610^	675$
Cotton	(F-414/H-777/J34)*	1770	1800
	(H-4)**	1990	2030
Groundnut-in-shell		1520	1550

$ An additional incentive bonus of Rs. 100 per quintal is payable over the MSP.

^ An additional incentive bonus of Rs. 40 per quintal was payable between 1.10.2006 to 31.03.2007.

In case of Bihar and Kerala additional incentive bonus extended upto 31.5.2007 and in case of A.P., Chhattisgarh, Orissa, Tamil Nadu and West Bengal additional incentive bonus extended upto 30.9.2007.

* Medium Staple. **Long Staple.

Also, with a view to enhance procurement of paddy, Government had decided on 9th October, 2007 to pay an incentive bonus of Rs. 50 per quintal over and above the MSP. Further, on 15th November, 2007 and additional bonus of Rs. 50 per quintal was approved. There is no proposal to change the MSP of groundnut and cotton already announced for 2007-08 season.

The CACP, while formulating its recommendations on price policy, considers a host of factors like cost of production in the States, changes in input prices, input/output price parity, trends in domestic and global market forces, effects on industrial cost structure, parity between prices paid and received by the farmers. The Government decides on the support price for various agricultural commodities taking into accounut the recommendations of the CACP, the views of Central Ministries, State Governments and other relevant important factors. The main objective of the MSP is to ensure the farmers a reasonable and remunerative price of their produce.